

November 19, 2010

# Late Backup

## Re: Swede Hill Neighborhood Opposition to PSH at Marshall Apartments

Honorable Mayor, Mayor Pro Tem and Council:

We request your attention and immediate action regarding a permanent supportive housing project (PSH) proposed for East 12th Street that is wrong for our neighborhood, wrong for the development trajectory of this nascent commercial corridor and wrong for the clients whom the would-be developers seek to serve.

Summit Housing Partners and Caritas of Austin plan to acquire and rehab Marshall Apartments—Section 8 complexes at 1401 East 12th Street and 1157 Salina Street—to include 20 units set aside for PSH clients and space for on-site supportive services. Current zoning of the property is MF-3, and urban renewal project controls for the block no longer call for preservation of existing rental flats but only for new housing opportunities—be they garden homes, townhomes or condos. The project will be financed with a \$2.5M forgivable loan from Neighborhood Housing's Rental Housing Development Assistance Program, \$5.25M in private activity bonds issued by Austin Housing Finance Corporation and 4% tax credits from the State of Texas.

As you know, for more than eleven years, East 12th Street has been part of the Urban Renewal Plan, a revitalization program designed to bring mixed-use, pedestrian friendly development to Central East Austin neighborhoods. However, unfortunately, the city has yet to make any significant investment in East 12th Street. The first major expenditure of public resources on this street should *engage*—not discourage—private sector interest in restoring life and vitality to this once-thriving commercial corridor. Furthermore, it should complement and be consistent with the Urban Renewal Plan. The Summit project holds no such promise. PSH is wholly inconsistent with what was envisioned and agreed to when the community created specific reuse objectives and other project controls for each block of East 12th Street, and it will deter private investment along the entire corridor. As such, any proposal to establish PSH on this urban renewal corridor cannot warrant expenditure of any public subsidy, let alone almost \$8M. PSH at Marshall may advance Downtown Austin Alliance's strategy to make *its* neighborhood more safe and secure—please see page 6 at [http://www.ci.austin.tx.us/council\\_meetings/wams\\_item\\_attach.cfm?recordID=25618](http://www.ci.austin.tx.us/council_meetings/wams_item_attach.cfm?recordID=25618)—but it undermines the *city's* strategy and duty to revitalize East 12th Street as planned and needed.

For decades, our area has borne an ongoing and significant impact from the drugs, crime, prostitution and vagrancy that emanate from the open air drug and flesh market at East 12th & Chicon. Housing an additional two dozen individuals struggling with addiction, criminality and mental health disorders two blocks from that corner and next door to a convenience mart that offers an array of single servings of alcohol sets PSH clients up for failure and creates the potential to exacerbate rather than alleviate problems for our neighborhood and the current residents of Marshall Apartments. We're not willing to risk that outcome, and members of our association voted unanimously this month to oppose this

project's PSH component. We ask that you consider how ill-advised the location for all affected and steer limited RHDA funds to better projects.

4 However well-intentioned Summit's proposal, please be aware that it comes with adverse consequences for some of Austin's low income residents. Currently, there is 98% occupancy and a two-year waiting list for Marshall Apartments. PSH clients will enjoy a priority status that permits them to jump ahead of individuals already on the list. It strikes us as fundamentally unfair to further delay access to decent housing for those so long deprived and already possessing vouchers, and surely this was not something Council was aware could occur when it embraced the city's PSH Strategy.

Finally, Summit purchased Elm Ridge Apartments at 1161 Harvey Street in February of this year with \$5.25M in bonds from AHFC and a \$2.5M forgivable loan via RHDA, and has admitted that this 130-unit Section 8 complex, a mere 1.2 miles from Marshall, may also eventually include a PSH component. We take the city's PSH Strategy at its word: the goal is to geographically disperse PSH throughout the city. However, not only does the Summit scenario defy that assertion, the RHDA scoring matrix disproportionately favors any proposal to rehab Section 8 housing where 100% of units are deeply affordable. These guidelines ensure that no larger-scale PSH project in a West Austin neighborhood with great schools, access to groceries and myriad opportunities for work will ever prevail over a proposed Section 8 rehab. They virtually guarantee that all larger communities of PSH residents will be housed east of I-35 where the preponderance of Section 8 housing is situated, furthering the racist city policies of the 1960's and 70's.

We ask that you notify NHCD immediately that AHFC will not issue private activity bonds for the Summit/Caritas project at Marshall Apartments—or for any other such proposal to install PSH on East 12th Street—and to deny Summit's request for any city funding, including RHDA. We are relying on you to do what is right for our neighborhood, the Marshall residents and the East 12th Street Redevelopment Project, and we look forward to meeting with you to discuss this matter in person.

Best regards,

Board of Directors, Swede Hill Neighborhood Association

Tracy Witte

Rob Seidenberg

William Minor

Louisa Brinsmade

Wendy Harte



November 30, 2010

*Re: Permanent Supportive Housing Proposal/Marshall Apartments*

Dear Mayor, Mayor Pro Tem and Council Members,

As you may be aware, Summit Housing Partners, an Alabama based company, and Caritas of Austin have submitted an application to the City of Austin to receive substantial funding to purchase and renovate the Marshall Apartments at 1401 East 12<sup>th</sup> Street and 1157 Salina Street. One section of the Marshall Apartments is located within the boundaries of Robertson Hill Neighborhood and the other section is located adjacent to Kealing Middle School. The proposal and recent related events have called into question the actions the City of Austin (City) and the Urban Renewal Agency board of directors among the residents of Robertson Hill Neighborhood and many others in Central East Austin. We strongly oppose the Permanent Supportive Housing (PSH) element of the Summit proposal for the Marshall Apartments and urge you to deny the requested funding unless PSH is eliminated from the proposal.

Summit's application and proposal, in part, reserves 20-25% of the units for PSH recipients and provides for on-site services in accordance with the City's PSH Strategy. The City's PSH Strategy prioritizes housing for the chronically homeless with severe and persistent mental illness, a history of substance and alcohol abuse, and/or criminal history.

As president of Robertson Hill Neighborhood Association (RHNA), I have discussed and met with many of the neighborhood residents, including some who live in and adjacent to the Marshall Apartments and on East 12<sup>th</sup> Street, to solicit their thoughts and comments and establish a neighborhood position related to the proposal. Many of those residents were not even aware of the Summit proposal. The residents with whom I have discussed the matter and the record number of Robertson Hill Neighborhood residents who attended a recent RHNA meeting are unanimously opposed to the current proposal.

Appropriately and successfully housing the homeless is a goal to which we all certainly owe a civic duty to strive to achieve. However, the Summit proposal presents a number

of clear and serious concerns that forces the resounding and unanimous opposition to the proposal:

- The safety and welfare of our children living in and around the Marshall Apartments and of those walking to and from Kealing Middle School is of our highest concern. Several single mothers and parents of small children living in the Marshall Apartments and within Robertson Hill Neighborhood are outraged at the possibility of locating individuals with a severe and persistent mental illness, a history of substance and alcohol abuse, and/or recidivist criminality near or next door to their home. Although everyone needs a second chance, the uncertainty that follows this population is not a risk that we are willing to take with our children.
- Marshall Apartments is not an appropriate location into which PSH recipients with severe and persistent mental illness, a history of substance and alcohol abuse, and/or recidivist criminality should be located. The East 12<sup>th</sup> and Chicon Streets intersection, 2 blocks from the Marshall Apartments, is a long-time haven for open and obvious drug sales, vagrancy, and prostitution. Being so close to this environment will not foster and facilitate recovery, but will have quite the opposite effect and act to taunt the vulnerabilities and worsen the hard struggles of the PSH residents/clients.
- Marshall Apartments is currently a stable and family-oriented complex. On average, the Marshall Apartments maintains 98% occupancy and a two-year waiting list for prospective tenants. Some of the Robertson Hill Neighborhood residents have lived in the Marshall Apartments for decades and its affordability is crucial to their livelihood and ability to maintain housing for themselves and their families. Converting 20-25% of the units to PSH guarantees that many who have waited and hoped for so long to move into the Marshall Apartments will be preempted. It is counter intuitive to interfere with and disrupt affordable housing that is working.
- Long-time residents who have lived in the community for decades have experienced the highs and lows of efforts to improve the quality of life in Central East Austin and, more immediately, the Robertson Hill Neighborhood. They have invested significant time and resources to maintain and improve their homes and community. The Summit proposal to institutionalize the homeless with severe problems in the neighborhood is viewed as a disrespectful move in a direction that is in no way consistent with the community members' efforts and contradicts their vision expressed in the long-standing Urban Renewal Plan to revitalize the area. The proposal will reinforce the poor perception currently tarnishing East Austin and confirm the feeling that East Austin citizens get everything except what they want.
- The current proposal fails to require Summit to invest any amount of its own funding and is conditioned on the integration of PSH. This approach exploits the strong desires and desperate needs of the Marshall Apartments residents for substantial upgrades, including playground amenities for the children. An approach that will assure that Summit is a committed partner in the community and that the City is

seriously dedicated to revitalizing the Robertson Hill Neighborhood and the Urban Renewal Area, is for the City to require that Summit invest a meaningful amount of its own funding in the improvement project, maintain the current federal subsidies to the current residents, and to provide select social services to current residents without the integration of PSH.

- Pairing PSH with existing Section 108 federally funded housing may be economically attractive, however, because the majority of such housing is located in East Austin, the indirect effect is to gradually and systematically reestablish a segregated City, one which directs and concentrates a less fortunate segment of its population to East Austin. The Summit proposal for Marshall comes at a time when the City has not yet established a clear and studied method for best integrating PHS into neighborhoods *throughout the City of Austin*. To go forward in such an *experimental manner* would be socially irresponsible.

At its special-called meeting on November 22, 2010, the Urban Renewal Board (URB) declared that it has no authority to consider and make a recommendation to the City regarding the Summit proposal. The notion is incomprehensible. The URB is an advisory board created by the City pursuant to State Urban Renewal Law. Its sole purpose is to provide revitalization oversight and recommendations to the City to assure that proposed projects within and/or affecting the Urban Renewal Area proceed consistently with the long-standing Urban Renewal Plan. The URB's course of avoidance has left many Central East Austin residents dismayed and contemplating legal recourse against the City, among others, to prevent PSH from being integrated into the Marshall Apartments.

The Austin Housing Finance Corporation will consider applications for funding on December 9, 2010. Robertson Hill Neighborhood Association urgently requests that you direct appropriate staff to decline or postpone consideration of the Summit application for funding unless or until Permanent Supportive Housing is deleted from the Marshall Apartments proposal. For the reasons stated above, the current proposal raises serious concerns and is not consistent with the hopes and vision for the revitalization of our community that we have expressed for so long in the Urban Renewal Plan.

We truly appreciate your dedication to the City of Austin and all of its residents and look forward to working with you and City staff to resolve this issue in a manner that benefits all. Meetings are in the process of being scheduled with you and/or your staff to discuss this matter. Meanwhile, if you have any questions, please contact me.

Sincerely,

Stanton Strickland, President  
Robertson Hill Neighborhood Association  
[originalstanton@yahoo.com](mailto:originalstanton@yahoo.com)  
(512) 419-8110

CC: Mr. Marc Ott  
City Manager  
City of Austin

Mr. Anthony Snipes  
Chief of Staff  
City of Austin

Ms. Elizabeth Spencer  
Acting Director, Neighborhood Housing and Community Development  
City of Austin

Mr. Ben M. Sifuentes  
Chair, Board of Directors  
City of Austin - Urban Renewal Agency

Mr. William Tyler Anderson, Chair  
Mr. David Sullivan, Vice Chair  
City of Austin - 2006 Bond Oversight Committee

December 1, 2010

Re: Summit Housing and the Marshall Apartments

Mayor Leffingwell  
Mayor Pro-Tem Martinez  
Council Members:

The undersigned are members of the E. 12<sup>th</sup> Street Business & Property Owner's Association and own property in the Urban Renewal Area along East 12<sup>th</sup> Street. We have invested in this area in reliance on the City's Urban Renewal Plan in hopes that we can be part of the process that will help create a better East Austin.

This letter is to express our strong opposition to a request for Bond Financing, Rental Housing Development Assistance, or any other form of City funding for a project proposed by Summit Housing at the Marshall Arms Apartments located at 1157 Salina Street & 1401 East 12th Street. This is not the right time for this project. The Marshall project does not make economic sense. The project does not comply with the goals of the Urban Renewal Plan. And this location is inappropriate for permanent supportive housing.

*We understand that the City must, and should, assist its residents who need affordable housing. Furthermore, we support the needs of the tenants at Marshall Arms Apartments. They are part of our community. We want them to have better living conditions; and nothing in this letter should be construed otherwise.*

That said, now is not the right time for a controversial project such as Summit's. The Tri-Party Agreement was only recently dissolved, and the City is operating under a temporary Memorandum of Understanding between the Urban Renewal Board and Neighborhood Housing and Community Development. At present, it is at best unclear what process and controls are in place to ensure community input and overall compliance with the goals of the Urban Renewal Plan, and the future is in flux. The City needs to remedy this situation before undertaking any new projects in the urban renewal area. Stakeholders have been left voiceless and without formal recourse, and correction of this disadvantage should be your first priority.

The Summit project does not make economic sense. The proposal is to spend \$2.5M in City funds (RHDA money) to rehabilitate a privately-owned apartment complex, an additional \$5M in Bond financing to purchase it, with the balance of the project coming from \$2M in tax credit financing, and no money spent by Summit. The Marshall Apartments have significant deferred maintenance, but the current owner does not have to discount the price of the complex because of the deferred maintenance because of the City funding. In fact, the current owner told a member of our organization that the only reason

he is selling is because Summit kept offering higher and higher amounts until it was just too good to decline; and this in a bad economy. Summit, after overpaying for the complex using no money of its own, will conduct the rehabilitation and walk away with a \$1M developer fee. The City is losing on the front end and on the back end. The project calls for the expenditure of over \$75,000 for each apartment with no new affordable housing being delivered! The City and the federal government should demand that the current owner, or any new owner, bring this property up to code as would be required of any private landowner, using their own money. Our City has scarce resources, and they should not be spent subsidizing negligent private property owners with no net increase in affordable housing being delivered to the City.

The proposal by Summit Housing does not comply with the goals of the Urban Renewal Plan, and some of our members believe it violates the Plan altogether. The Plan calls for a mixed use, urban walking corridor, with commercial services for the residents of the neighborhoods surrounding East 12th Street. The Plan calls for new housing opportunities in the block where the Marshall Apartments are located. It was never the intent of the Plan to use City or federal funds to rehabilitate the Marshall Arms apartments. *In fact, one of the abiding principles of Texas Urban Renewal Law is to prevent municipalities from investing in public housing in urban renewal areas.* Though the law specifically addresses urban renewal tracts acquired by a municipality, this project is no different; the City is merely using a private landowner as a surrogate to create an intense variant of public housing—PSH—in an urban renewal zone for decades to come. This does not mean that the Marshall Arms should not be a part of our community. And, it does not mean that it should not remain affordable housing. Rather, it means that the private landowner, whose rents are already being guaranteed by the federal government, should be required to provide appropriate living conditions for the residents. But the scarce federal and local funds we have available should be spent on projects that conform to the Plan.

Permanent supportive housing should not be located at the Marshall Arms apartments, because of existing problems in the area and because such a use is the antithesis of economic development. The area surrounding the intersection of East 12<sup>th</sup> and Chicon Streets is notorious for its drug and prostitution activity. Placing individuals recovering from substance abuse, recently released from prison, or suffering from mental illness next to this area is inappropriate. While any location may be difficult for PSH tenants, this one is more so than any other in Austin. Furthermore, one of the chief purposes behind the PSH push is to assist downtown Austin's economic development. Economic development is the fundamental driving force behind the Urban Renewal Plan. It is only appropriate that the City treat these two aspiring commercial areas equally.

Finally, as property owners along East 12<sup>th</sup> Street, all of whom who have invested in reliance on the City's Urban Renewal Plan, we are deeply offended that the City would entertain the idea of the Summit project as its first major investment along East 12<sup>th</sup> Street. The City has ample opportunity in the vacant property it already owns to use its RHDA funds or Bond capacity to build new, affordable housing that is dense, mixed-use, mixed

income, and meets the goals of the Urban Renewal Plan. Furthermore, the City can and should complete the infrastructure development required along East 12<sup>th</sup> Street as originally envisioned in the Plan and the Tri-Party Agreement. We ask that the City use its funds to spur appropriate economic activity along East 12<sup>th</sup> Street. The Summit project will do the exact opposite and squander scarce resources. This project is a net negative, or a net neutral, at best. Let's spend our City money on net positives.

For these reasons, we ask that Council reject Summit Housing's proposal. We are grateful for your time and your service to the City.

Sincerely yours,

Richard Ferris, 906 E. 12th  
Deborah Attal, 909 E. 12th  
Gustavo Artaza, 1006, 1010, 1016, 1022 E. 12th  
Michael Young, 1200, 1206, 1208 E. 12th  
Dan Niendorff, 1208 E. 12th  
Scott Way, 1510, 1514, 1603, 1901 E. 12th  
John Goldstone, 1521 E. 12th  
Brooks Calavan, 1720 E. 12th  
Jim Daywood, 1900, 1906 E. 12th  
Elwood Domaschk, 1920 E. 12th  
Don Burnett, 1905 E. 12th  
Adam & Ashley Talianchich, 1919 E. 12th

## **Summit Housing's Marshall Arms Project**

### **Project summary**

Summit Housing Partners and Caritas of Austin propose to acquire and renovate the Marshall Apartments (100 units) and **reserve 20% of units for Permanent Supportive Housing (PSH).**

40 apartments are at 1401 East 12th Street in Robertson Hill Neighborhood and across the street from Swede Hill Neighborhood; 60 apartments are at 1157 Salina Street in the Kealing Neighborhood.

**Both locations are 2 blocks from the open air drug and prostitution market at 12th & Chicon.**

The property is currently a project-based Section 8 affordable housing complex owned by a private company located in Dallas. HUD pays the majority of all rents for the residents under a contract with the owner. These contracts are routinely renewed year-after-year. Regardless of the proposed project, the Marshall Apartments will remain Section 8 housing, and remain affordable. The current mortgage requires that the owner keep the contract with HUD. And, Section 8 is the most lucrative and stable source of income for the owner.

The proposed project is for Summit Housing, a private company from Alabama, to purchase the Marshall Arms apartments using City and Federal funds, along with City bonds. Summit's proposal is to purchase the property for \$5,315,000 and renovate the property. Summit will not use any of its own funds for the project. They will receive \$2,500,000 from the City, \$1,800,000 from a Federal tax credit program, and between \$5,000,000 and \$6,000,000 in bonds issued through Austin Housing Finance Corporation.

The total costs of this project are \$9,300,000. From that money, Summit will take \$1,000,000 as a developer fee, pay \$1,800,000 in other costs to lawyers, accountants, bankers, etc., and use the remaining amount to purchase the property and renovate it.

Summit had an appraiser appraise the property based on its value after the renovations are complete. After spending \$9,300,000 on this project, the property will only be worth \$5,700,000.

**Number of new affordable housing units created: 0 !**

**Number of units that will now house homeless individuals: 20.**  
**20 of the existing Section 8 units. These are not new units. They will no longer be available to individuals on the Section 8 waiting list.**

## What is Permanent Supportive Housing?

### **The City of Austin's Permanent Supportive Housing (PSH) Strategy**

By 2014, the City intends to place 350 chronically homeless individuals—most with severe and persistent mental health issues and/or a history of substance abuse and/or recidivist criminality—in PSH. 225 of those 350 individuals will be “frequent flyers” who repeatedly consume public services such as ERs, psych wards, detox centers, courts and jails.

[http://www.ci.austin.tx.us/housing/downloads/csh\\_final\\_austin\\_psh\\_strategy\\_092810.pdf](http://www.ci.austin.tx.us/housing/downloads/csh_final_austin_psh_strategy_092810.pdf)

The Strategy envisions “wrap-around” supportive services available on-site, to include, *but not limited to*: **guidance counseling, drug treatment, medical and mental health evaluation, medication management, anger management and anything else that providers decide to offer.**

Key principles of PSH:

1. Housing, first: The homeless individuals attempting to recover from addiction or re-enter society from prison, a mental institution or drug rehabilitation are more successful if their need for housing is addressed upfront. **The City measures success by how long people remain housed, not by whether or how long they remain sober, abstain from criminal acts or otherwise avoid falling into behaviors that contributed to their homelessness or risk for homelessness.**
2. The City claims to “breaks even” financially by investing upfront in creation of PSH units and shifting the long-term costs from city and county revenue sources to federal revenue sources: Rather than city and county tax dollars paying for ERs, jail, detox stays or treatment in mental health facilities, federal tax dollars *will pay for vouchers, Medicare and Medicaid to finance housing; it's not clear how the city plans to ensure long-term funding for the supportive services.*

See PP14-19 of this Austin/Travis County Reentry Roundtable (A/TCRRT) publication for more on target populations to be served/ funding strategies:

[http://www.caction.org/rrt/issue\\_areas/FinalFundingBrief\\_July2010.pdf](http://www.caction.org/rrt/issue_areas/FinalFundingBrief_July2010.pdf).

**The Downtown Austin Alliance is the main proponent of the City's PSH strategy. Downtown developers want homeless people off the streets of Downtown to improve Downtown.** (see pp. 4-8 at: <http://www.ci.austin.tx.us/edims/document.cfm?id=145415>)

**If it's not right for Downtown, why is this right for East 12<sup>th</sup> Street?**

**What is wrong with this Project?**

Placing vulnerable people 2 blocks from the drugs and prostitution at East 12th Street & Chicon is in direct contravention of HUD recommendations and it sets those individuals up for failure.

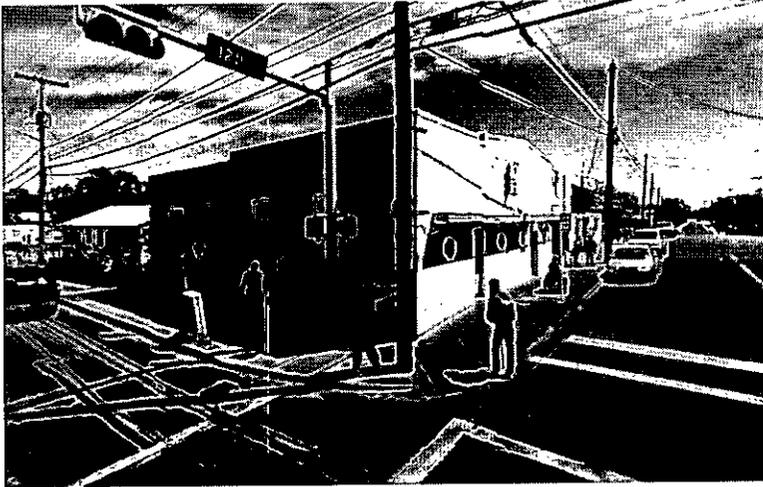
- A HUD study concluded the following: "Careful consideration should be made as to the location of permanent housing, and such **plans should avoid placing permanent housing residents in neighborhoods with high crime rates and drug activities** that inadvertently increase the risk of relapses for residents." (<http://www.huduser.org/Publications/pdf/permhsgstudy.pdf>)
- A Denver PSH study reported that only 15% of participants reduced substance abuse. That's an 85% failure rate; we cannot afford that kind of failure in neighborhoods that have already borne an intense impact from the drug activity, vagrancy, theft, vandalism and violence emanating from the intersection of 12th & Chicon. The City cannot afford that kind of failure, given the inflated price tag of this project. See P13 ("Goal 3"): <http://www.shnny.org/documents/FinalDHFCCostStudy.pdf>

**APD Statistics for 12<sup>th</sup> & Chicon:**

NARCOTIC VIOLATIONS E 12th AREA (12/01/09---11/30/10)					
OFFENSE	PRA				TOTAL
	391	392	413	414	
DEL CONTROLLED SUB/NARCOTIC	28	29	3	12	72
DEL CONTROLLED SUB/OTHER				1	1
DEL CONTROLLED SUB/SYN NARC	2			1	3
MANF CONTROLLED SUB/OTHER	1	1			2
NUISANCE ABATEMENT		2		1	3
POSS CONTROLLED SUB/NARCOTIC	59	59	3	8	129
POSS CONTROLLED SUB/SYN NARC	1	1			2
POSS DANG DRUG		1			1
POSS MARIJUANA	39	44	6	11	100
POSS OF DRUG PARAPHERNALIA	77	101	10	14	202
POSS OF PROHIBITED WEAPON		1			1
<b>TOTAL</b>	<b>207</b>	<b>239</b>	<b>22</b>	<b>48</b>	<b>516</b>

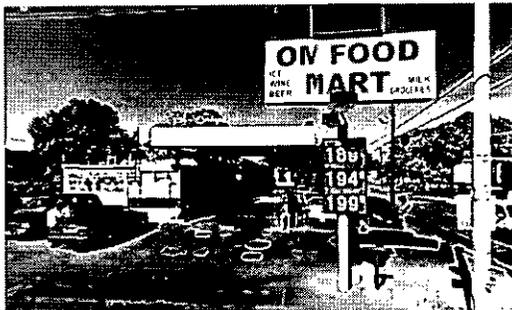
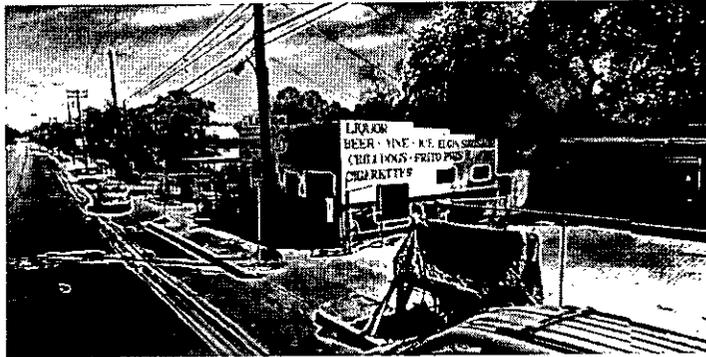
ALCOHOL VIOLATIONS E 12th AREA (12/01/09---11/30/10)					
OFFENSE	PRA				TOTAL
	391	392	413	414	
ALCOHOL CONSUMPTION VIOLATION	27	33	5	8	73
DAMAGE CITY PROP		1			1
DUI - AGE 17 TO 20	1				1
DWI	20	4	7	4	35
DWI 2ND	2				2
LIQ LAW VIOLATION/OTHER		1	1	2	4
POSS OF ALCOHOL - AGE 17 TO 20			1		1
PUBLIC INTOXICATION	13	13	11	7	44
<b>TOTAL</b>	<b>63</b>	<b>52</b>	<b>25</b>	<b>21</b>	<b>161</b>

**To maintain residency at the Marshall Apartments, there is no requirement that a tenant continue to participate in the treatment services. In fact, it is against the law to require this. They have to comply with their lease, but they will not break their lease for committing off-premises crimes.**

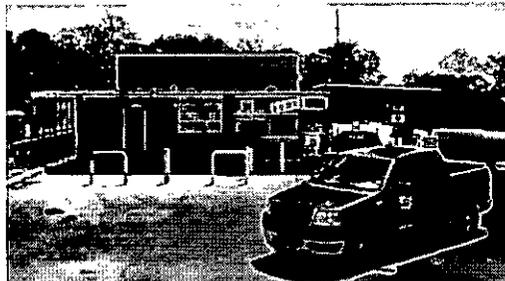


The Plan is not to take people off the streets of East Austin, but to bring additional homeless individuals to East Austin.

Should we be bringing recovering drug and alcohol addicts to this neighborhood?

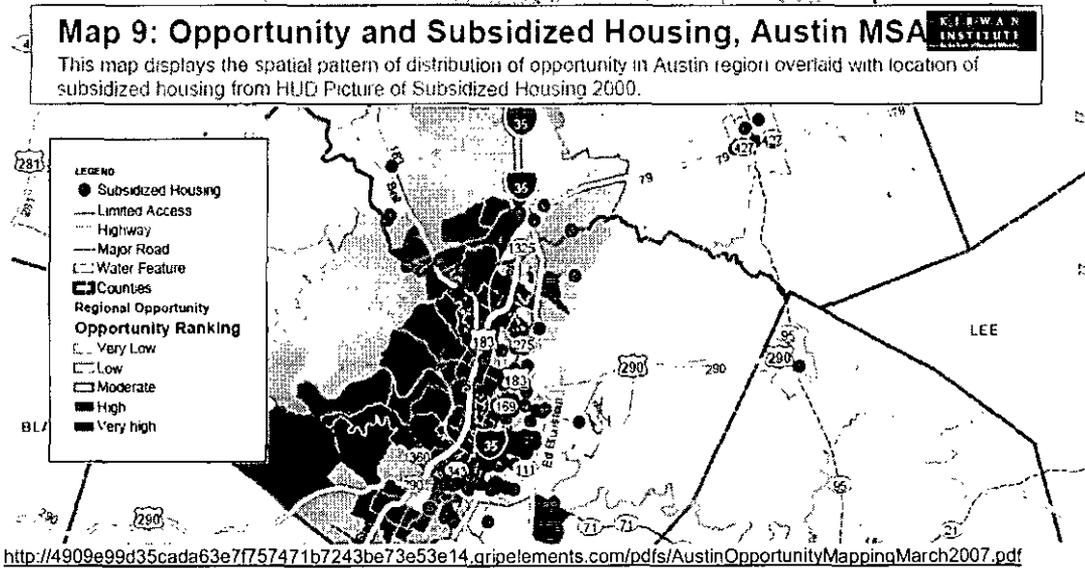


Convenience stores selling alcohol located next to Marshall will be accessible to the formerly homeless tenants.



Pairing Permanent Supportive Housing (PSH) with Section 8 housing is regressive social policy and counter to the City's stated goals for geographic dispersion of PSH. The Marshall PSH project will be a precedent that puts the lie to the City's progressive PSH Strategy.

- Section 8 housing is clustered east of I-35 as the result of segregationist policies of the 1960's and 70's:



**The Problem**  
**Racial and Socio-Economic Segregation of LIHTC**  
**and LIHTC/Bond Financed Housing in Texas**

The following chart shows that the vast majority of LIHTC and LIHTC/Bond funded developments in the Dallas, Fort Worth, Austin and Houston metropolitan areas have been placed in Impacted Areas.

	% of Units in above Average Minority Areas	% of Units in Below Average Income Areas
Dallas	77%	88%
Fort Worth	56%	72%
Austin	86%	76%
Houston	72%	78%

It is helpful to look at these statistics in the inverse as well – what percentage of the LIHTC units have been in Non-Impacted Areas?

	% of Units in below Average Minority Areas	% of Units in above Average Income Areas
Dallas	23%	12%
Fort Worth	44%	28%
Austin	14%	24%
Houston	28%	22%

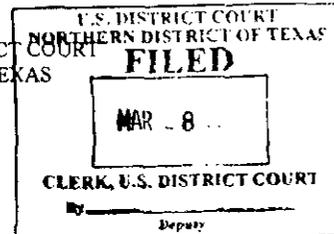
<http://www.prrac.org/pdf/TX2005Voelker.pdf>

**Austin's segregation is much more dramatic than that of Dallas, Fort Worth, or Houston!**

- Scoring criteria for rental housing development assistance funding (RHDA) has helped locate 10,000 low income units east of I-35 but only 160 units west of I-35 and has contributed to similar segregation in other Texas cities.

<http://www.statesman.com/news/local/suit-challenging-locations-of-affordable-housing-moves-forward-947601.html>

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION



The Inclusive Communities Project, Inc., \*  
Plaintiff, \*  
v. \*  
\*  
The Texas Department of \*  
Housing and Community Affairs, and \*  
Michael Gerber, \*  
Leslie Bingham-Escareño, \*  
Tomas Cardenas, \*  
C. Kent Conine, \*  
Dionicio Vidal (Sonny) Flores, \*  
Juan Sanchez Muñoz, and \*  
Gloria L. Ray in their official capacities, \*  
Defendants. \*

**308 CV - 546 - D**  
Civil Action No. ...

COMPLAINT

**Introduction**

1. The State of Texas admits that its Low Income Housing Tax Credit program perpetuates racial segregation in Dallas and other large urban areas. The State admits that the segregation is a result of prior and current funding decisions. The admission is set out in the following statement.<sup>1</sup>

The Department's funding allocations, as well as the allocations under the Bond Review Board's (BRB) Bond Program should promote racial integration, however, the continued failure of these entities to evaluate the implications of prior and current funding decisions permits the Department and the BRB to disproportionately allocate federal low income housing tax credit funds and the tax-exempt bond funds to developments located in impacted areas (above average

<sup>1</sup> The "Department" referred to in the finding is the Texas Department of Housing and Community Affairs. The state's distribution of the credits is governed by the Department's Qualified Allocation Plan referred to as the QAP. The Bond Review Board is the State entity charged with the operation of the State's Private Activity Bond program. These tax-exempt bonds are often used in conjunction with Low Income Housing Tax Credits for affordable housing development.

minority concentration and below average income levels).

Furthermore, QAP provisions requiring multiple notifications to state and local political officials and neighborhood organizations are feared to enable "Not-In-My-Backyard" (NIMBY) opposition to developments that are proposed in non-impacted areas (above average minority concentration and below average income levels).

The vast majority of low income housing tax credits and tax-exempt bonds that fund developments in the Dallas, Fort Worth, Austin and Houston metropolitan areas have been placed in impacted areas.

...

The Department's funding decisions arise directly out of the QAP. In recent years, the QAP has continued to place low income individuals in impacted areas, further adding to the concentration problem in most cities today. House Committee On Urban Affairs Texas House of Representatives, "Interim Report 2006 A Report to the House of Representatives 80<sup>th</sup> Texas Legislature", December 6, 2006, Robert Talton, Chairman, Findings page 48.

2. Despite this admission, the entity operating the State's Low Income Housing Tax Credit program, the Texas Department of Housing and Community Affairs ("TDHCA"), has not *taken the actions necessary to remedy the segregation. Instead, TDHCA continues to perpetuate the concentration of TDHCA's Low Income Housing Tax Credit assisted housing in low-income minority areas.*

**The City's RHDA scoring criteria favors Section 8 rehabs that include PSH over any proposal to include PSH in existing or new construction market rate or mixed use rental complexes in West Austin. ([http://www.ci.austin.tx.us/ahfc/downloads/rhda application scoring criteria rev 092810.doc](http://www.ci.austin.tx.us/ahfc/downloads/rhda_application_scoring_criteria_rev_092810.doc))**

**Until the City revises scoring criteria to incentivize the creation of larger PSH communities in single-family neighborhoods west of I-35 and specifically west of Mo-PAC, PSH will be clustered in single-family neighborhoods east of I-35. Current scoring criteria effectively screen PSH clients out of West Austin neighborhoods.**

- In February 2010, Summit purchased **Elm Ridge Apartments at 1161 Harvey Street**—just 1.2 miles east of Marshall—with similar public subsidies. Elm Ridge is a 130-unit Section 8 property and, according to Summit, **may eventually include PSH.**
- Currently, there are more than 4000 people on the waiting list for Section 8 housing in Austin. **PSH clients will enjoy a priority status and jump ahead of many potential tenants already on the 2-year waiting list for Section 8 housing at Marshall.** Why should any low income individual or family be forced to wait longer for decent housing and lose access to an apartment at Marshall to PSH clients when there are hundreds of available units west of I-35 that could house the individuals targeted by the City's PSH Strategy?

The City's PSH Strategy is new, and even its greatest advocates, Council Members Cole and Morrison, admit that there is still much to be worked out. **Before spending millions to house the homeless in Section 8 complexes in moderate and low opportunity areas, this city should examine more progressive and economically viable options in higher opportunity areas** — stable settings where access to groceries & other daily services, transportation, jobs, schools and community amenities is plentiful, and **where chances of successfully breaking the cycle of poverty, despair and isolation are far higher.**

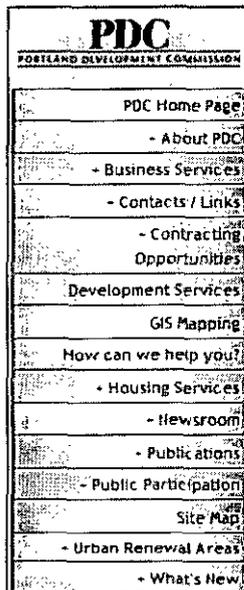
**Pairing Section 8 and PSH as proposed at Marshall is fiscally imprudent and unsustainable; there are more economically viable options for PSH in West Austin; and PSH is not necessary to preserve Section 8 housing.**

- **The entire cost of this project—\$9.3M—is publicly subsidized. The acquisition price is inflated--\$5.3M for a property assessed at \$3.5M. After spending \$9.3M, the property will be appraised at \$5.7M. Repeated over and over at other Section 8 properties, this model is fiscally unsustainable.**
- **What happens if funding for the supportive services runs out?** PSH clients will be left in complexes without the guidance and support the City claims they need to live successfully in the community. They will still have leases, but they will be two blocks from drugs with no supportive services.
- **The city's \$2.5M forgivable loan to Summit comes from scarce 2006 G.O. bond money, and the project creates ZERO new affordable units.** City funding to Summit for Elm Ridge brings the total to \$5M in scarce G.O. bond funds to one developer in one year to create ZERO new affordable units.

**The city's current low income rental housing gap is 40,000 units; spending \$5M in G.O. bond money on Summit in the last year and creating ZERO new units does not make sense.**

- **The City's deal with Summit does not preserve affordability for 99 years at Marshall.** Summit can opt out of affordable housing at Marshall by simply refinancing and paying back the debt. The truth is that Summit will have the *option* but not the obligation to keep Marshall affordable for 99 years. So what is the city really buying for \$9.3M?
- This property was not for sale; Summit repeatedly went to current owner and offered more money each time, until the offer was too good to decline. **This property is not in danger of turning into market-rate space: the debt load is heavy; its value is as a project-based Section 8 property; the current owner will seek to renew the H.A.P. contract next year because it is the most stable and lucrative option for the property.** Summit acquisition is an expensive way to ensure what is already certain: this property will remain Section 8.
- **There are empty market-rate complexes all over West Austin for sale for far less than \$10M.** Marshall is privately owned by a for-profit owner, with deferred maintenance, yet the acquisition price—\$5.3M —is grossly out-of-proportion to similar apartment sales in the area. New construction and acquisition/rehab of existing complexes to provide 20+ PSH units can be achieved for lower cost in higher opportunity areas.

Here's an example of a fiscally sound PSH Project in Portland, Oregon:



### Interstate Corridor URA: Shaver Green Apartments



<http://www.pdc.us/ura/interstate/projects/shaver-green.asp>

The Shaver Green apartment building, located at 375 NE Shaver Street at Martin Luther King Jr. Boulevard, opened in June 2009. The 85-unit building, developed by husband/wife team Wayne Armstrong and Rolanne Stafford of Armstrong Development, gets its name both from its location and the myriad of green features incorporated. PDC provided urban renewal funds to cover 16% of the project cost.

Shaver Green contains 85 apartments consisting of one, two and three-bedroom units, serving singles, couples and families. Seventy-one of the units are workforce housing units affordable to families earning at or below 60% median family income (A family of four at 60% MFI earns approximately \$42,000/yr.) Ten of the units are reserved for permanent supportive housing (PSH) as part of the city's plan to end homelessness. Services for the PSH tenants will be provided by Lifeworks Northwest. Shaver Green has already leased the bottom three floors of the building and anticipates being fully leased by August 2009 due to the high demand.

Shaver Green is designated for Leadership in Energy & Environmental Design (LEED) Gold status. Energy-efficient features are many and include:

- radiant in-floor heating
- energy efficient appliances and lighting
- recycled steel studs
- low-flow faucets and shower heads
- high efficiency windows

The project also features Zipcar's first electronic car and a car recharging station.

PDC contributed \$2.5 million in TIF funds and \$1 million in federal HOME funds to the project. Oregon Housing and Community Services (OHCS) and US Bank provided tax exempt bonds and Key Bank provided Low Income Housing Tax Credit equity. OHCS also helped fund additional soft costs. Total project costs were \$16 million.

**85 new units for only \$16M v. no new units for \$9.3M!**

**Living conditions at Marshall can be improved without adding a PSH component.**

- Summit has identified more than 100 code violations at Marshall. The city can follow the Dallas example by forcing any owner of Marshall to address code violations at expense of owner and/or provide financial assistance to renovate apartments w/o financing inflated acquisition.
- Elm Ridge was acquired and renovated with similar financing options; NHCD and Council have admitted that the same could be done for Marshall with no PSH strings attached.

**Here is a link to a Dallas initiative to force private landowners to fix up their properties without using our taxpayer dollars:**

**<http://fortworthavenue.org/output/File.aspx?q=2d6f2de6-97d4-414d-a792-b4ec062b7537>**

**REPAIR AGREEMENT BETWEEN THE  
CITY OF DALLAS AND LA REUNION TOWNCENTER, LLC**

Whereas, the City of Dallas is a home-rule municipal corporation situated in Dallas County, Texas, incorporated and operating under the laws of the State of Texas.

Whereas, La Reunion Towncenter, LLC ("La Reunion Towncenter") is a domestic limited liability company doing business and owning property in the City of Dallas, Dallas County, Texas.

Whereas, La Reunion Towncenter owns and controls the structures and the property described as Lot 1, Dallas City Block A/4689, (commonly referred to as 2300 Fort Worth Avenue, Dallas, Texas), and Lot 2, Dallas City Block F/6173, commonly referred to as 2600 Bahama Drive, Dallas, Texas) (collectively the "Property").

Whereas, the Property consists of an occupied multi-family complex.

Whereas, the condition of the Property violates various sections of the Dallas City Code ("Code"), including the following:

1. There are sharp objects that are reasonably capable of causing injury to a person in violation of Section 27-11(a)(1);
2. Failure to provide drainage to prevent standing water and flooding on the land in violation of Section 27-11(a)(4);
3. Failure to remove dead trees and tree limbs that are reasonably capable of causing injury to a person in violation of Section 27-11(a)(5);
4. Failure to keep the doors and windows of a vacant structure or vacant portions of

**PSH at Marshall is inconsistent with all land use controls for the block and it thwarts the intent of Texas Urban Renewal Law.**

NEW VISIONS OF EAST AUSTIN:  
*East 11<sup>th</sup> & 12<sup>th</sup> Streets Urban Renewal Plan (URP)*

EAST 11<sup>TH</sup> & 12<sup>TH</sup> STREETS URBAN RENEWAL PLAN (URP)

Conceptual approaches and strategies for the entire Central East Austin area were defined as part of the Central East Austin Master Plan ("Master Plan"), prepared by representative members and organizations of the Central East Austin community with the professional and technical assistance of the Crane Urban Design Team and the Austin Revitalization Authority (ARA). Two critical Subareas of the Master Plan are the East 11<sup>th</sup> and 12<sup>th</sup> Street Corridors, which are to be the location of much of the new commercial/office redevelopment called for in the Master Plan. The City of Austin (City) has designated these corridors as appropriate for an urban renewal project. Under Texas redevelopment law, the Urban Renewal Agency (URA) and the City are granted a series of redevelopment roles and responsibilities regarding urban renewal areas including approval of projects for compliance with an urban renewal plan and the use of eminent domain powers. This East 11<sup>th</sup> and 12<sup>th</sup> Streets Urban Renewal Plan (URP) defines specific redevelopment projects and associated regulatory controls intended to assure quality, compatible, mixed-use development along these critical commercial arteries. The redevelopment process will be guided by the Urban Renewal Agency consistent with state law, the Master Plan, the URP, and a Development Agreement to be negotiated between the City, URA, and ARA.

- **PSH is not a use defined in Austin Legal Code; PSH is a term that includes transitional housing, guidance counseling, drug treatment, medical and mental health evaluation, medication management and anything else that providers decide to offer on-site.** None of these uses is permitted under MF-3 or MF-4, current zoning of the 12th Street and Salina complexes, respectively.

If PSH is "just housing" and permitted under MF-3, MF-4, MF-5 and MF-6, then anyone with the means and inclination can move 20-30 PSH clients into a market-rate complex and provide supportive services—on West Lynn, Duval, Exposition, South 1<sup>st</sup>, The Triangle at 45<sup>th</sup> & Lamar and the Domain.

- **The intensity of use and impact on surrounding properties of PSH is equivalent to that of transitional housing, which is not permitted under current zoning or Urban Renewal Plan (URP) project controls for the Marshall block.** PSH is transitional housing—only with leases that potentially give residents, as Caritas put it, "longer than 24 months to get their acts together." PSH clients are not required to maintain residency long-term or use the services offered. Summit cannot evict a PSH client for declining supportive services.

The HUD Philadelphia study found:

"Although it may be said that permanent housing for homeless people with disabilities is a long-term housing arrangement for a significant portion of permanent housing residents, this study suggests it is not a "permanent" housing arrangement for everyone. Analysis of three permanent housing entry cohorts

between 2001 and 2003 in Philadelphia indicates that **a significant portion of residents entering permanent housing at the same time left before two years of residence. If the discharge patterns of the 2001 cohort were representative of all permanent housing residents, then we may expect that only half of those entering permanent housing would be able to keep their residency for three years or more. More than ten percent, in fact, left within six months, and nearly a quarter left within the first year after entry.**

- The Urban Renewal Plan identifies the permitted use for the Marshall block as garden apartments, condos and townhomes. **There is nothing in the URP, as originally written or amended, that envisions or plans for transitional housing, social services, drug or mental health treatment on East 12th Street. These uses are the antithesis of what is needed and desired and what was agreed to. Since the City has created these goals, similar to our future land use maps and our neighborhood plans, the City should be investing in projects that conform to the plan.**
- Marshall Apartments is a form of public housing. Ownership is in private hands but it is fully supported by the federal government. Texas Urban Renewal Law does not define the term public housing, but it states that land seized in an urban renewal program cannot be used for public housing. There is a reason for that. Urban renewal is meant, in large part, to reverse the segregationist policies of the 60's and 70's that placed a disproportionate amount of public housing in certain areas of our cities. It is contrary to the intent of Texas Urban Renewal Law for the City of Austin to use public housing land held by a private developer to thwart the intent of urban renewal and invest further dollars into public housing & PSH within the urban renewal area.

**Summary of Urban Renewal Plan project controls for Marshall Block (original and amendments)**

<b>Project Control</b>	<b>Dec. 1999</b>	<b>Aug. 2001</b>	<b>May 2005</b>
Reuse Objective	Provide <u>new</u> housing opportunities	Provide <u>new</u> housing opportunities	Provide <u>new</u> housing opportunities
Permitted Use	Garden apts.	Garden apts., <u>condos, townhomes</u>	Garden apts., <u>condos, townhomes</u>
Existing Housing To Be Preserved	35 rental flats	<u>35 units</u>	<u>Delete provision</u>

highlights = changes to the project controls

Again, no one is suggesting that the Marshall Apartments be torn down. The most lucrative use of the property is as Section 8; no City action or investment is required to ensure they are preserved. The apartments will be there whether the City spends any money on them or not.

The City can force or incentivize the owner to make improvements for less than \$2M; the City can then focus additional spending on 12th to create new market-rate and affordable commercial and residential space as planned and promised or make *comprehensive infrastructure improvements along the entire corridor*—such as buried utility lines. Everybody wins that way—improvements for Marshall residents and improvements to 12th that attract private sector participation along the entire street .

**This is Urban Renewal**



Date: 1/11/11

Re: Opposition to request for public funding; Marshall Affordable Partners/ PSH at Marshall Apartments in Austin, TX

Honorable Mayor and Council, Austin Housing Finance Corporation Board, City of Austin Neighborhood Housing & Community Development Department, Texas Bond Review Board, Texas Department of Housing and Community Affairs and any other parties to whom the matter of public financing for Summit Housing Partners' proposal for Marshall Apartments in Austin, TX may concern:

We are concerned citizens strongly opposed to Marshall Affordable Partners' proposed project at 1401 East 12<sup>th</sup> Street and 1157 Satina Street.

The total project cost to acquire and renovate Marshall Apartments and set aside 20% of units for Permanent Supportive Housing (PSH) is \$9.7M. Acquisition cost is \$5.3M and improvements \$2.2M, yet post-rehabilitation appraisal is only \$5.7M. Millions in public dollars to facilitate an exorbitantly inflated purchase price is not warranted. This property is currently subsidized housing and will remain so; this project creates zero new affordable units at a cost of \$5.3M to taxpayers.

Vulnerable individuals attempting recovery and/or reentry into society need a stable environment; both Marshall sites are 2 blocks from an open air drug market at the corner of East 12<sup>th</sup> Street & Chicon and next door to single-serving alcohol sales. PSH at Marshall sets clients up for failure and at an unjustifiable cost to taxpayers.

Marshall Apartments is located east of Interstate Highway-35, where the City of Austin has historically segregated African American and Hispanic populations and shunted all subsidized housing, and where it is now clustering PSH units. Pairing PSH with project-based Section 8 housing in Austin is a furtherance of segregationist policies; it is discriminatory and counter to the City's stated goal of geographically dispersing PSH in stable areas of higher opportunity, where PSH clients will have increased access to job opportunities, transportation, excellent schools and the commercial services that meet their daily needs.

The PSH component of the project is at odds with the vision for the corridor and violates the project controls of the Urban Renewal Plan for East 11<sup>th</sup> & 12<sup>th</sup> Streets (URP). East 12<sup>th</sup> Street is slated for development as an urban mixed-use walking corridor. PSH is a term that implies lease-based transitional housing and on-site social services, medical, mental health and drug treatment. None of these uses are permitted or called for in the controls for any block along East 12<sup>th</sup> Street, including the Marshall block.

This letter echoes the strong opposition already conveyed to you by the Swede Hill and Robertson Hill Neighborhood Associations, the E. 12<sup>th</sup> Street Business & Property Owner's Association, as well as many other tenants and property owners in 78702.

We request that you decline to issue bonds, approve loans or Low Income Housing Tax Credits or grant any other form of public funding sought for acquisition and renovation of Marshall Apartments unless PSH is eliminated from the proposal.

Respectfully,

JULIAN MEJIA

Name(s)

Jeffrey Grant unit A

Signature(s)

JAMP

Address

1192 Comal Street unit B

Austin, TX 78702

Email address(es) and/ or phone number (s)

julian@texventures.com

512-740-9491

Date: 7/11/11

Re: Opposition to request for public funding: Marshall Affordable Partners/ PSH at Marshall Apartments in Austin, TX

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Respectfully,

Henry Jones Jr -

Joy Bell Ray

Names

Henry Jones Jr

Joy Bell Ray

Signature(s)

1713 East 12th St.

Address

Jbr1943@hotmail.com

Email address(es) and/ or phone number (s)

Date: 1/11/11

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Respectfully,

Loray Evans  
[Handwritten Signature]  
Name(s)

Signature(s)

1511 E. 12th  
Address

Email address(es) and/ or phone number (s)

# SEAN GARRETSON

November 30, 2010

Mayor Leffingwell  
Mayor Pro-Tem Martinez  
Council Members:

It is with deep regret that I hereby tender my resignation as commissioner to the board of the Urban Renewal Agency of the City of Austin. Over the past 2 ½ years as a commissioner and Vice Chair of the Urban Renewal Board (URB), I have endeavored to help complete the City's goal of revitalizing East 11<sup>th</sup> and 12<sup>th</sup> Streets. Unfortunately, despite the dissolution of the Tri-Party Agreement and the renewed commitment to forward progress, articulated by both the City and the URB, I am more frustrated and disappointed than ever.

Over my tenure, we have witnessed not only significant macro-economic changes with the downturn in the real estate market and the economy as whole, but painful and necessary change to those groups tasked with revitalization efforts—chief among them, the City's formal separation from the Austin Revitalization Authority (ARA). Monumental and critical transition still lies before us; I would like to be a part of the progress we all hope will be achieved, but I no longer believe I can do so as a commissioner of a broken agency. What is broken must be fixed, and through your efforts, it can be. However, I must step aside so I am free to voice my opinions loud and clear in hopes that I will be heard.

The revitalization effort began as, and has always been based upon, a bottom-up approach that takes direction first and foremost from the immediate community to be served. The Urban Renewal Plan (URP) was the culmination of years of community consensus-building that set forth both specific development controls for the urban renewal area, block-by-block, as well as principles and goals to guide the City as it conducted revitalization efforts. This document was unequivocal in its mandate that ARA ensure constant input from the community, compliance with the Plan's controls, and fidelity to the URP's principles and goals. Though the City dissolved the Tri-party Agreement on October 1, it has yet to task a successor with ARA's former responsibility as urban renewal gatekeeper, and NHCD has unofficially positioned itself to fill that power vacuum, advocating the merits and compliance of proposed projects to URB commissioners. We find ourselves in the very situation that the original framers of the URP and the Tri-Party Agreement sought to avoid: a City department asserting its goals over those of the Redevelopment Project, to the latter's detriment.

The case in point is NHCD's current push for the a private proposal by Summit Housing Partners to acquire and rehabilitate Marshall Apartments—half of which is located within the urban renewal area along East 12<sup>th</sup> Street—to include a 20% set-aside of units for permanent supportive housing (PSH). Noble as this endeavor may be, the public financing required to realize this project will be the first major City investment in 12<sup>th</sup> Street, and the project is being pushed in spite of broad and intense opposition from adjacent neighborhoods and East 12<sup>th</sup> Street property owners. The project does not fit within the principles and goals of the URP; it may even violate them. It was puzzling and disheartening that URB learned about the Marshall

## SEAN GARRETSON

project at the 11<sup>th</sup> hour from concerned neighborhoods rather than via a timely and complete briefing from NHCD, the very people who both serve as our staff and are tasked with evaluating Summit Housing's application for a \$2.5M forgivable loan via Rental Housing Development Assistance; and this exemplifies the structural defects that exist. NHCD cannot, necessarily, be blamed for this, their actions are just a symptom of the problems.

On November 15, URB was confronted at its monthly meeting with stakeholder after stakeholder describing a gamut of concerns about PSH at Marshall, but rather than take action to review this project's compliance with the URP, we were unable to take action because we had yet to receive a full briefing on the project. One week later, URB hastily convened with an ill-defined purpose around which the public and commissioners might frame discussion of PSH at Marshall, and Chairman Sifuentes dominated the proceedings by unilaterally re-ordering agenda items and allowing Summit and Caritas free reign to present the project's merits and dialogue with commissioners for over 90 minutes. Before returning to what was to have been the first item on the agenda—public comments on the project—and without any input from fellow commissioners, Chairman Sifuentes berated the stakeholders present as gentrifiers who wanted “everything pretty” and declared in advance that URB was powerless to act in this matter. Though the board listened to all public comment, which overwhelmingly expressed unequivocal opposition rather than the support promised by City staff, under Chairman Sifuentes' unilateral determination, the meeting's results were predetermined, and other concerned commissioners were unable to take into consideration whether the project complies with the Plan. Furthermore, in complete accordance with the new Memorandum of Understanding, neighborhoods had proposed and submitted to NHCD amendments to the URP that would prohibit PSH along East 12<sup>th</sup> Street. Those proposals went unanswered before the meeting and were utterly skirted by the Chairman, URB counsel, and NHCD, and they continue unanswered today. What has become of those amendments is unknown, but they have not been heard, and it is a denial of process.

The handling of the Marshall Apartments project has created more distrust and acrimony for the City and NHCD than I have seen in the many years that I have participated in East Austin revitalization efforts, which long pre-date my assignment to the URB. And it has needlessly reignited racial tensions that will take years to extinguish. Council should stop this project, not only because it fails to comport with URP goals, but because now is not the right time. Post-ARA, we've yet to determine the optimum re-ordering of stewards for the revitalization effort, and the first major City investment in East 12<sup>th</sup> Street should enjoy neighborhood support and advance the existing goals and priorities of the URP. Now is the time to fund an appropriate project on land currently owned by the City and the Agency rather than obstinately move forward on one fraught with so many challenges.

In conjunction with this renewed commitment to URP stewardship, we must finalize the roles and responsibilities for the revitalization effort soon, before any further projects are proposed for the urban renewal area. URB must enjoy greater autonomy to implement the URP separate from NHCD. This implies a restructuring of the URB that begins with Council's call for the Chairman to step down. The Chairman has served for too long, and his tactics have marginalized other members of the Board. The community and URB commissioners need an active leader whose abilities are equal to the task of leading the revitalization effort forward, but who is also able to ensure active input from all board members and the community.

## SEAN GARRETSON

Additionally, the board should include representatives of the area's stakeholder groups. This will ensure the continued focus on a bottom-up approach to urban renewal. And perhaps most crucially, the City must provide URB broad powers, independent staff and funding to implement the Plan and coordinate the revitalization effort with the City's Economic Growth and Redevelopment Services Office, Weed & Seed, APD, NHCD and others. Without these resources, it's likely our ambitious foray into urban renewal will fail. I ask that you instruct City Manager Ott to make this restructuring a priority. The health, welfare, and cohesion of East Austin depend on it.

Thank you for the opportunity to serve the City. I look forward to continuing to work on projects in East Austin aimed at reversing the decades of economic and racial disparity and marginalization suffered by this community. I would be happy to discuss this letter and my concerns with you at any time.

Sincerely yours,

/s/ Sean Garretson

Sean Garretson

## **Mold Claim in Subsidized Housing**

Summit Housing Partners has 13K+ units in 87 properties in 9 states.

The news story at the following link describes tenant claims that mold on walls in Summit's Stonybrook Apartments in Riviera Beach, FL, was painted over. After WPTV News began asking questions and covered the story, Summit moved the family to a different apartment and issued letters to all Stonybrook tenants that quarterly inspections would begin.

[http://www2.wptv.com/dpp/news/local\\_news/investigations/Mold-claims-in-subsidized-housing-unit](http://www2.wptv.com/dpp/news/local_news/investigations/Mold-claims-in-subsidized-housing-unit)

<http://section-8-housing.findthebest.com/detail/13721/STONYBROOK-APARTMENTS>

This story leads many Central East Austin stakeholders to question whether Marshall Apartment residents will face similar treatment. No one should have to secure news coverage to get adverse living conditions addressed by the apartment owner.